



City of New Bedford
Jonathan F. Mitchell, Mayor

City of New Bedford
Office of the Mayor
Contact: Elizabeth Treadup
(508) 979-1410
etreadup@newbedford-ma.gov

Date: May 15, 2013
For Immediate Release

Mayor Mitchell Submits City Budget For Fiscal Year 2014

Budget Holds Line on Spending; Puts Money Into Rainy Day Reserve Proposes Major Reorganization of City Government

New Bedford, Massachusetts—Mayor Jon Mitchell presented a \$263 million fiscal year 2014 City Budget on Wednesday, May 15, 2013. Mitchell signaled he would continue his no-frills spending approach in this year's proposal, his second since taking office in January 2012.

The Mayor noted, "From my first day in office I promised fiscal responsibility would be a hallmark of my Administration. We worked hard this year to live within our means and spend only what we have. My proposal requires no change in the tax levy and minimal growth in overall spending."

Mitchell added, "The direction I gave our new Chief Financial Officer was simple and short: (1) hold the line on spending; (2) put money away for a rainy day; (3) reorganize government to use resources more effectively; and (4) deal with some immediate challenges in education and elsewhere. Today's budget achieves all four of these goals."

HOLDING LINE ON SPENDING

Under the Mayor's budget the operating cost of city departments increases by only 1.5%, and the School Department by just 1.7%. Moreover, "general government unclassified" expenditures are reduced by about 6%. The amount of General Fund spending, including the cost of employee healthcare and debt service is slated to increase by 2.6% from the level approved last year by the City Council.

In an accompanying letter to City Councillors, the Mayor justified the need to keep a tight lid on spending because the City was still vulnerable to financial threats that had built up in the recent past, including a possible court ruling on a past employee furlough policy, the Fire Department's possible loss of federal funding, multiple expired union contracts, and environmental cleanup costs.

SAVING FOR A RAINY DAY

Because of the overall fiscal restraint, the Mayor proposed, in conjunction with the budget, a 33% increase in the City's Rainy Day Fund (a \$1.9 million increase in the balance from \$5.8 million to just under \$7.7 million).

The Mayor noted, "Holding the line on costs while still figuring out a way to boost our reserves was much more doable with the hiring of the City's Chief Financial Officer earlier this year." CFO Ari Sky is the first person to hold the position in more than seven years.

REORGANIZING GOVERNMENT

The budget proposes a significant strategic realignment that affects four major city departments (DPI, DPF, Community Development, Planning) whose employees combined total approximately 270 out of roughly 1,100 municipal workers (excluding school employees). The restructuring is being made to improve department coordination and lay the groundwork for additional streamlining of operations and efficiencies in years ahead.

The budget proposes to put an end to New Bedford's distinction as perhaps the only municipality in the Commonwealth that operates what are essentially two separate public works departments. The Department of Public Infrastructure (DPI) and the Department of Public Facilities (DPF) will no longer exist in their present form.

Going forward each department will take on distinct assignments. Many responsibilities that have been shared in the past will be rationalized. For example, snow plow crews assigned to the North End of the City will now work for the same managers as those assigned to South End routes. Today's arbitrary lines of responsibility for sidewalks, tree-trimming, and other work on streets and public spaces will be also redrawn. DPI will take over the traditional assignments of a public works department, retaining its name and its leadership under Ron Labelle as the new Commissioner of Public Infrastructure.

The Mayor explained the need for the reforms, saying "In an era of general belt-tightening, our city government has no choice but to find ways to deliver better services with existing resources. We need to make the most of what we have; and make sure taxpayers are getting more value for the support they give government."

The budget also establishes a new Department of Facilities and Fleet Management (DFFM) to oversee City buildings and the City's fleet of several hundred vehicles and trucks. In addition, today's separate departments for Community Development and Planning will be consolidated under a single Director to improve the coordination of investments in neighborhoods with the City's overall planning agenda.

ADDRESSING IMMEDIATE NEEDS, INCLUDING EDUCATION

The \$109 million provided in the Mayor's budget for education fulfills the City's legal commitment under the 1993 Education Reform Law. The funding level represents an effective \$1.6 million decrease in overall City support from the previous fiscal year (when \$3.5 million in year-end transfers are included). To cope with the change in City support, the school district is expected to undertake a restructuring which will allow it operate next year even with the modest decrease.

Mayor Mitchell put the school funding in context: “More than at any time in its history, New Bedford is at a pivot point for its schools. After years of decline, and under threat of state takeover, the City’s schools have charted a new course under a new leadership team. Interim Superintendent Mike Shea is widely credited for stabilizing the failing system and the Superintendent Dr. Pia Durkin is poised to take the helm on July 1. Our funding level gives Dr. Durkin what she needs to hit the ground running and get the job done for our students.”

The budget also recommends a small fraction of the City’s free cash balance (\$568,000) be used for modest but critical one-time capital needs that cannot be put off any longer. Examples include: security system upgrades at the City’s parking garages and libraries, restroom renovations at public beaches, and the repaving of the North End police station parking lot.

###

*Find us on Facebook www.facebook.com/CityofNewBedford and
Twitter www.twitter.com/NewBedford_MA!*